

**REMARKS**

This Amendment is submitted in response to the Examiner's request for a formal Amendment entering the proposed claims under discussion for the record, as well as Applicant's remarks made over a series of telephone interviews with Examiners Campen and Millin. This Amendment also serves to submit Declarations requested by the Examiners. In view of these submissions, favorable consideration and allowance of this application is now respectfully requested.

Claims 75-110 are presented, divided into three claim sets. Claims 75-87 and Claims 88-98 both require periodic and automatic allowance payments. Claims 75-87 also require that the fund depositor be supplied information on fund transferees and corresponding payment amounts for the third party account. Claims 99-110 do not require periodic and automatic allowance payments, but require that the fund depositor be supplied information on fund transferees and corresponding payment amounts for the third party account.

After further review by the Patent Office, the Teicher and Lawlor patents were cited against the then-pending claims under 35 U.S.C. §103(a). The enclosed Declarations establish a date of conception earlier than the Teicher patent, followed by a diligent constructive reduction to practice. And proposed claims 75-110 distinguish over Lawlor for the reasons to be discussed. Independent reasons are also given to distinguish claims 75-110 over Teicher.

Regarding Teicher, Applicant encloses the two Declarations. First, there is the November 7, 2002 Rule 131 Declaration of the sole inventor, Michael J. Picciallo. Much of this was already contained in a Rule 131 Declaration submitted by Mr. Picciallo in response to the last Office Action, particularly Exhibit B of both Declarations, which Mr. Picciallo declares to be a document containing substantially the same information as that contained in an as yet unsealed envelope Mr. Picciallo mailed to himself that he also declares was postmarked before the effective date of Teicher.

The correlation between this information and the "allowance" feature of claims 75-98 is already of record. The Examiners requested corroborative evidence that Mr. Picciallo conceived of the invention prior to the effective date of Teicher and that he diligently performed a constructive reduction to practice. For this reason the two Declarations are submitted. The November 7, 2002 declaration of Mr. Picciallo is similar to his earlier Rule 131 Declaration, except that it has been substantially supplemented with evidence regarding his diligence. The other Declaration is made by John M. Krusas and corroborates the earlier date of conception. The Declarations are self-explanatory and require no further discussion.

The Examiners also questioned whether Exhibit B information, particularly the disclosure in the priority application that "the allowance card documents the day, place and amount and items that were purchased by the user" provides adequate support for the limitation, "supplying to said fund depositor through an output device said information on

fund transferees and corresponding payment amounts for said third party account" to eliminate Fleming and Teicher as prior art against this feature. This is important with respect to claims 99-110 wherein this feature is present independent of the "Allowance" feature.

Admittedly, Exhibit B is an inelegant description prepared without the assistance of an attorney. But when this statement is read in the context of the entire document, the support for the claim limitation becomes clear. Applicant's objective is parental control. Applicant stated that the information is "documented," as opposed to stored. While the question becomes, "to whom?" implicitly this would be to the fund depositor in whom Applicant vests control of the funds. The priority document also describes the use of a credit card network to implement his invention. Implicitly this includes the infrastructure for supplying this information to the fund depositor.

In view of the foregoing Exhibit B and the enclosed Declarations establish a date of conception for both the "Allowance" feature and the "Information Supplying" feature, either or both of which are found in claims 75-110, thereby eliminating both Fleming and Teicher as prior art against these claims.

Teicher is also independently patentably distinguishable over claims 75-110 for the following reasons. In Teicher, the child payment instrument disclosed at column 23 is an electronic wallet. At column 2, electronic wallets are defined as being a smart card including an electronic checkbook and an electronic purse. Cash payments are made through the electronic purse. Credit card or check card payments are made through the electronic checkbook. However, the child payment instrument employs the electronic cache 320C disclosed at column 20 instead of an electronic checkbook.

Column 20 describes the electronic cache 320C as being linked to a special cache account 383 at a financial institution, which can only be accessed through the electronic cache 320C. The electronic cache issues electronic checks for account-to-account settlement (payment of vendor for goods or services) in the transaction processing centers of financial institutions.

In other words, Teicher teaches an electronic wallet for a child, having an electronic cache 320C through which payments for goods and services can be made, linked to a cache account 383 for the child at a bank that can be automatically and periodically reloaded from a parent's bank or credit account at a predetermined rate of expenditure.

Teicher is silent regarding providing the parent with information regarding the activity of the child's cache account 383. The only thing the parent knows from their own bank account is that the child's spending is limited to the predetermined rate of expenditure. Claims 75-87 and 99-110 are independently patentable over Teicher on this basis.

Teicher attempts to control undesirable spending by a child by limiting the amount of money that the child has available to spend. This is not a complete solution, because there is no guarantee that this money will not be spent on alcohol or tobacco, for example, or otherwise wasted. Claims 75-87 and 99-110 solve this problem by supplying the parent with information on the child's account activity. This element is neither taught nor suggested by Teicher.

Each and every one of claims 75-110 also patentably distinguish over Teicher by being directed to the creation of "a bank or credit card account for debit or credit card access by a third party ... dependent upon a fund depositor ... ." This literally distinguishes over Teicher because, unlike the electronic cache smart cards of Teicher, credit and debit cards can be used to access bank or credit accounts via telephone orders and home computers. Support for this is found at pages 14 - 15 of the present specification in which the use of magnetically encoded cards in communication with an external banking, credit or ATM network is contemplated, as well as "mouse and cursor systems." It should be noted that the term "credit or debit card access" is not intended to exclude the use of smart cards or other means of access. The distinguishing feature is that the cards are integrated into a debit card system making it possible to execute transactions without physically using the card. There is no motivation in Teicher to incorporate this feature no matter where else it can be found in the prior art. Teicher is crystal clear that the cache account cannot accessed in this manner.

Regarding other prior art of record. The Moola Moola School Cafeteria card is a debit card that can only be used at the child's school cafeteria, linked to a bank account in the child's name that must be replenished by the parent depositing funds directly into the child's account at a bank branch or through an ATM, i.e., the replenishment is not from an account established by the parent linked to the child's account for replenishment purposes, nor is it automatic. Furthermore, there is no disclosure of any accounting to the parent of how the money has been spent. The parent knows spending is limited to the cafeteria, because that is the only place that accepts the card. But there is no way of knowing whether the child ate a wholesome meal or gorged on ice cream and potato chips. With this card, it is possible for the child to spend an entire week or month's lunch money on a junk food orgy for themselves and their friends. With the present invention, a parent would be informed and thereby equipped to address the child's behavior. By being directed to either or both of these features, claims 75-110 patentably distinguish over the cafeteria card.

Regarding EBT systems, these systems do not transfer money into a third party account. Money from a state account is used to reimburse merchants and ATM owners for purchases and withdrawals made by benefit recipients subject to periodic benefit limits. Instead of periodically transferring a predetermined amount to an account established for a benefit recipient, the benefit recipient is given a predetermined periodic withdrawal limit

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from a state account. This allows the state control over how money that is not withdrawn as cash is spent without having to oversee the individual bank accounts of benefit recipients. Claims 75-110 distinguish over EBT systems on this basis.

Regarding claims 75-110 and Lawlor, the claims now require the third party to be a dependent of the fund depositor. The third party account is established and then linked to the fund depositor account. The third party account is accessible by the dependent by debit or credit card, and funds are transferred at the request of the dependent, either as a cash withdrawal or to pay for goods or services.

Lawlor is a method for periodic and automatic bill payment to creditors out of existing accounts. There is no teaching or suggestion of fund transfers to an account established for a dependent of the fund depositor. Nor is there disclosed a method in which the third party account is first created and then linked to a fund depositor's account. Lawlor links fund depositor accounts to the existing accounts of creditors. These accounts are also not accessed by the creditor by means of a debit or credit card, nor are cash withdrawals made by the creditor for goods and services paid for by the creditor from the account into which the bill payment is made. At least this is not taught or suggested by Lawlor. Furthermore, there is no accounting to the fund depositor regarding how the transferred funds are subsequently spent. By being directed to either or both of these features, claims 75-110 patentably distinguish over Lawlor.

Finally, Fleming is not prior art against the "Allowance" feature of claims 75-98 for reasons of record, and it is not prior art against the "supplying information" feature of claims 75-87 and 99-110 for the reasons given above.

In view of the foregoing remarks and enclosed Declarations, favorable consideration and allowance of claims 75-110 is respectfully requested. Because these are completely new claims, Applicant has not provided a marked-up version of changes made.

A telephone to discuss any remaining issues in this application to be resolved is respectfully requested. Finally, the Examiner is authorized to charge applicant's Deposit Account No. 19-5425 for any additional charges in connection with this Amendment.

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Respectfully submitted,  
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